

HOUSE CONCURRENT RESOLUTION NO. 1008

A CONCURRENT RESOLUTION, Urging the United States Congress to establish an equitable policy related to the tax deductibility of health insurance premiums.

WHEREAS, there are over forty million Americans, including millions of children, without health insurance at any given time, and over seventy-five percent of these people are uninsured for less than one year; and

WHEREAS, the cost of insurance is the most common reason why people are uninsured, both temporarily and long-term, and affordability is the primary key to accessing health insurance; and

WHEREAS, not all employers offer health insurance benefits, and those who do usually offer a limited number of choices of plans; and

WHEREAS, employees who do not receive health insurance benefits from their employers, employees who prefer a health insurance plan not offered by their employers, and the self-employed who have no such choice, must purchase their insurance in the nongroup, individual health insurance market, where it is much more expensive; and

WHEREAS, employers are able to deduct one hundred percent of the cost of providing health insurance to their employees, and this is a nontaxable benefit for employees; and

WHEREAS, employees and self-employed individuals who purchase insurance in the nongroup market cannot deduct the full cost of premiums and, thus, are forced to pay their premiums with after-tax dollars; and

WHEREAS, people who must pay for health insurance policies with after-tax dollars are twenty-four times more likely to be uninsured; and

WHEREAS, this inequity is rooted in a skewed tax policy based not on the nature of the expense but rather on who funds the expense; and

WHEREAS, the tax code should not extend favorable treatment to one class of taxpayer while denying the same treatment to others:

NOW, THEREFORE, BE IT RESOLVED, by the House of Representatives of the Seventy-fourth Legislature of the State of South Dakota, the Senate concurring therein, that the Legislature urges the United States Congress to establish a fair and equitable taxation policy for health insurance premiums paid for by individuals. That policy shall promote the affordability and accessibility of

health insurance for the self-employed and for individuals and families that either do not receive health insurance as a benefit of employment or prefer a health insurance plan not offered through employment, and shall promote the economic and medical well-being of American families, by establishing one hundred percent tax deductibility of health insurance premiums, without delay, for all Americans.

Adopted by the House of Representatives,
Concurred in by the Senate,

February 19, 1999
February 26, 1999

Roger Hunt
Speaker of the House

Karen Gerdes
Chief Clerk of the House

Carole Hillard
President of the Senate

Patricia Adam
Secretary of the Senate